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Chief, EE Division

1 July 1953

Acting Chief, Finance Division

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25X1A2D1 Shortage in [ ] Services and Supply Account - Major [ ]

1. On 4 September 1952 the Finance Division received a T/A from the field advising of the shortage in subject's account. On 29 September 1952 after a telephone conversation with Mr. [ ] the Acting Chief, Finance Division addressed a memorandum to Chief, EE dated 3 October 1952, wherein this Division requested that we be furnished with all available facts concerning this shortage in order that we could properly perform our responsibility as required by Paragraph 1.4a of the Confidential Funds Regulations. It was indicated therein that the EE Division intended to make a report on same direct to the Inspector General.

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2. On 11 December 1952 the Finance Division received a memorandum from your Division which recommended that Major [ ] be held accountable for the shortage. Memorandum of 17 December 1952 from the Chief, I & R to DD/P also recommended that Major [ ] be held liable.

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3. On 17 December 1952 a memorandum was sent to the Chief, Military Personnel Division, requesting them to contact [ ] with regard to the shortage and this was accomplished by them on 22 December 1952 through a communication addressed to his commanding Officer requesting that subject contact the Agency with respect to his account.

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4. A reply was received from Major [ ] on 15 January 1953 and a copy of this communication was forwarded to your Division on 28 January 1953, inviting attention to the allegations set forth by Major [ ] with respect to the shortage in his account. The EE Division was requested to furnish Finance with any copies of reports of investigation which subject advised was made after his illness. A reply to this memorandum was received in Finance on 17 February 1953 which advised that your Division had no reason to change the recommendations previously made to hold Major [ ] accountable, since the subject's accounts were so hopelessly confused prior to his entering the hospital and there was no indication in the report that they were adversely affected by reasons of actions that may have taken place during his absence. It was further stated that the file did not support his statement that "the cash had been counted on 30 November and later reconciliation showed that they balanced on that date". On 17 March 1953 a further communication was addressed to Major [ ] advising him that the record failed to indicate any circumstances which would relieve him of his responsibility to repay the shortage of public funds.

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5. In reply to this communication, copy attached hereto, Major [ ] states that authority was given by his superior for his successor to use the funds in his absence, this being done without a cash balance being taken.

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the funds. Major [ ] also implies that he intends to refer this matter to his Senator to obtain representation. In view of Major [ ]'s refusal to accept responsibility for the shortage, it is requested that the report of investigations together with all other material bearing on the case be made available to the Finance Division in order that action required by Paragraph 1.4c of the Confidential Funds Regulations may be taken.

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Attachment: Communication from Maj. [ ]

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